

ARLINGTON COUNTY PUBLIC SCHOOLS

School Board – Budget Advisory Committee (BAC)

Address: 2110 Washington Blvd, Arlington, VA 22204

March 13, 2026

Arlington County Board

2100 Clarendon Boulevard, Suite 300

Arlington, Virginia 22201

Dear Members of the Arlington County Board,

On behalf of the Arlington Public Schools Budget Advisory Committee (BAC), we write to respectfully request that the County Board reconsider how revenue generated by the proposed real estate tax rate increase is allocated. As currently structured, Arlington Public Schools (APS) – the largest public employer in Arlington County – would receive none of the additional revenue from this increase. We believe this outcome is inequitable, fiscally shortsighted, and a troubling departure from the partnership that has long defined the relationship between the County and its public schools.

Executive Summary

The Budget Advisory Committee respectfully urges the Arlington County Board to:

- Ensure APS receives a proportionate share of the new revenue generated by the proposed real estate tax rate increase, consistent with the longstanding 46.8% revenue-sharing baseline.
- Recognize APS's documented, unfunded needs as legitimate County budget priorities worthy of investment.
- Preserve the integrity of the County–APS partnership by refraining from unilateral decisions that undermine APS's ability to plan, commit to staff, and deliver services with confidence.
- Provide the budget clarity and planning predictability that APS requires to make sound multi-year decisions for students, staff, and schools.

APS Is Not Getting a Share of the Proposed Tax Increase

The County Board is proposing to raise the real estate tax rate, and the revenue generated by that increase is being directed entirely to other County services. APS – which serves every school-age child in Arlington and is the single largest recipient of County funds – would receive nothing from this increase. This is not widely understood, and it warrants clear and direct attention.

This is happening at a moment when APS has significant, documented unmet needs. APS currently carries over \$18.81 million in identified, unfunded core priorities and more than 140 unfilled positions. These are not aspirational wish-list items; they include special education teachers, math and literacy interventionists, counselors, school safety coordinators, and support for federally identified schools requiring improvement. Approximately 31% of APS students qualify as low-income, and nearly 25% are English Learners – populations whose needs are among the most resource-intensive to serve well.

It is also important to note what APS has already done to manage its fiscal position responsibly. In FY 2026, APS closed a \$41.4 million deficit through \$22.36 million in targeted reductions – without increasing class sizes, and relying only to a very limited extent on reserves, consistent with a longstanding BAC recommendation. Since FY 2025, APS has eliminated \$33.2 million and 66.5 FTE positions from central office operations alone. APS has made these difficult decisions in good faith. To now exclude APS entirely from new revenue raises a fundamental question of fairness.

A Deviation from the Revenue-Sharing Agreement

For many years, there has been a base assumption that 46.8 percent of property tax revenue would flow to Arlington Public Schools. This arrangement has formed the foundation of our shared fiscal relationship and allowed APS to plan, hire, bargain, and deliver services responsibly. Arlingtonians have come to understand – rightly – that when they pay their property taxes, nearly half of that investment goes directly into their schools.

When the County Board directs 100 percent of new tax revenue away from APS, it is not a neutral budget decision. It is a departure from a longstanding commitment. And the consequences extend well beyond this fiscal year. APS does not govern itself in isolation. It depends on a predictable and fair relationship with the County to make multi-year commitments to staff, families, and students. When the County unilaterally changes the terms of that relationship – even implicitly – it shifts the dynamic from partnership to uncertainty. That is not the Arlington way, and it is not the model that has made our schools among the most respected in the Commonwealth.

The BAC also wants to be clear that we do not view the County and APS as adversaries, nor should their budgets be developed in silos. The decisions the County Board makes about APS funding are inseparable from the decisions it makes about police, fire, infrastructure, and every other public service. We recognize, for example, that several years ago both the police and fire departments faced acute staffing shortfalls that required significant corrective investment, and the County Board responded appropriately. We raise this not to pit services against one another, but to underscore the point: the County has demonstrated that it can respond to documented institutional needs when it chooses to. APS's needs are documented. They are significant. And they deserve the same consideration.

Uncertainty about County funding also has direct consequences for APS's ability to meet its existing obligations. APS has entered into collective bargaining agreements with its

employees that represent current commitments, not aspirational targets. They include negotiated compensation structures that employees rely on. When the County retains discretionary authority over how much revenue APS receives, it compromises APS's ability to make and keep those commitments in good faith – and to engage in future bargaining with the confidence that the resources to honor agreements will be there. More broadly, the lack of clarity and predictability around APS's share of County revenue makes sound multi-year planning extraordinarily difficult. APS cannot responsibly commit to staffing levels, program investments, or compensation structures when the revenue foundation beneath those commitments is subject to unilateral change.

APS's Fiscal Position Requires Sustained Investment

The FY 2027 Superintendent's Proposed Budget of \$855.69 million grows just 1.3% over FY 2026 – well below the Federal Reserve's projected inflation rate of 2.4 - 2.8%. This means APS is, in real terms, doing more with less.

The revenue trajectory compounds this challenge. Incremental county transfers to APS dropped 87.2% from the prior year in FY 2027, and state incremental revenue fell 78.1%. These are not rounding errors – they represent a sharp and sustained decline in the additional resources available to APS year over year. The system has absorbed what it can absorb at the administrative level. The question now is whether the County will step in to close the gap, or whether that gap will ultimately be felt by students.

Strong Schools Are Essential to Arlington's Identity and Economic Vitality

High-quality public schools are not a line item – they are an economic engine. Businesses deciding where to locate, where to recruit talent, and where to invest weigh the quality of the local school system heavily. Families choosing where to put down roots do the same. Arlington's reputation as a desirable, thriving community is inseparable from the quality of its public schools. Property values, business vitality, and the County's own long-term tax base are all downstream of school quality.

APS is also Arlington's largest public employer, and its health has broad economic consequences. The decisions made about APS funding ripple across the entire community – through the families of APS employees, local businesses, and the neighborhoods surrounding every school building. APS serves a student population that includes significant numbers of low-income students, English Learners, and students with disabilities. Over the last five years, APS has also made specific new investments in student mental health, recognizing that the well-being of students is fundamental to the well-being of the broader community. Sustained investment in APS is not charity – it is how Arlington maintains the quality of life and civic strength that makes this community worth living in.

We are proud of what Arlington's schools have built, and we are committed to protecting it. We trust the County Board shares that pride and that commitment. We ask that you

reflect it in how you allocate the resources Arlington's taxpayers are being asked to provide.

Thank you for your consideration. The Budget Advisory Committee welcomes the opportunity to discuss these concerns further and to work collaboratively toward a budget that serves all of Arlington.

Respectfully,

APS, Budget Advisory Committee (BAC)

Chair, Sianni J. Cabello

Arlington Public Schools School Board